



## **CITY OF BOULDER STUDY SESSION**

**TO:** Members of City Council

**FROM:** Jane S. Brautigam, City Manager  
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CIP Peer Review Team  
CIP Staff Team

**DATE:** August 12, 2014

**SUBJECT:** City Council Study Session  
Review of the Draft 2015-2020 Capital Improvement Program (CIP)

### **I. PURPOSE**

The purpose of this item is to present the Draft 2015-2020 Capital Improvement Program (CIP) to the City Council. The study session provides Council with an opportunity to ask questions and comment on recommended capital projects in the Draft 2015-2020 CIP prior to the City Manager's submission of the 2015 Recommended Budget to the City Council at the end of August.

### **II. BACKGROUND**

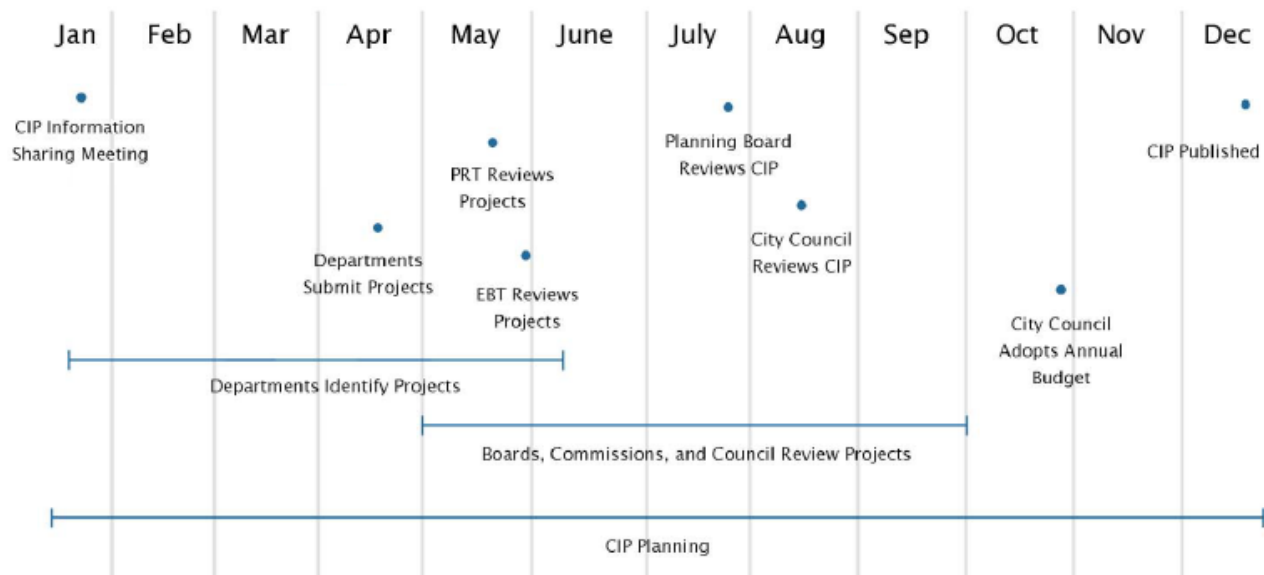
The City of Boulder's Capital Improvement Program (CIP) is a six-year plan for maintaining and enhancing the city's public infrastructure by correcting current facility deficiencies and constructing new service delivery infrastructure. The CIP provides a forecast of funds available for capital projects and identifies all planned capital improvement projects and their estimated costs over the six-year period. The Draft 2015-2020 Capital Improvement Program is available at the following link: [Draft 2015-2020 Capital Improvement Program](#).

The CIP document contains planned project funding summaries organized by department, project type,

and fund; detail sheets for every project and program included in the plan; maps illustrating the location of projects throughout the city; and narratives describing the rationale behind project prioritization. The document is organized into six main parts: an introduction, funding summaries, a 2013 Flood highlight, a Capital Improvement Bond highlight, department overviews and projects, and appendices.

Projects are selected for inclusion in the CIP through a process that involves matching available resources with the identified needs and priorities of the community. **Figure 1** diagrams the annual CIP process. To create a citywide understanding of which projects are chosen for inclusion in the CIP, and to ensure individual department priorities for CIP funding are aligned with city goals, the City developed nine CIP Guiding Principles to shape capital planning decisions made throughout the CIP process. These principles can be found on page 2 of the Draft 2015-2020 CIP and are included as **Attachment A** to this memo. Every project in the Draft 2015-2020 CIP addresses at least one of these principles, and many projects address all of them.

**Figure 1, Annual CIP Process**



The 2015-2020 CIP continues to focus on three major areas derived from the CIP Guiding Principles (see **Attachment A**): Maintaining and Enhancing Existing Assets, Coordination and Partnership, and Leveraging Funds. Additionally, this year's CIP includes information on the impact of the September 2013 Flood on the 2015-2020 CIP.

#### *Maintaining and Enhancing Existing Assets*

One of the CIP Guiding Principles states that projects should sustain or improve maintenance of existing assets before investing in new assets. Maintaining or improving existing assets maximizes the return the city gets on an investment. A total of 65 percent (\$231 million) of the 6-year CIP is allocated to repair, rehabilitation, or enhancements of existing facilities. Highlights include: Wonderland Creek flood mitigation projects, maintenance of city buildings and recreation centers, and upgrades at the Betasso Water Treatment Facility. In 2015, 80 percent of proposed funding is allocated to maintaining and enhancing existing assets. This reflects the large number of flood recovery related projects proposed for 2015.

### *Coordination and Partnership*

Another CIP Guiding Principle states that projects should be coordinated across departments within and across funds. This coordination allows for savings in project costs and minimizes the period during which areas of the city are disrupted by capital project work. In short, better coordination produces a completed project at an earlier date and with lower overall cost. The Draft 2015-2020 CIP has several examples of projects that are benefitting from coordination and partnership. Examples include coordination between Utilities and Transportation for replacement and upgrades to water and storm drainage systems in conjunction with street repair, the coordination of projects in the Boulder Civic Area between Library, Parks & Recreation, Facilities and Asset Management and Community Planning & Sustainability, and coordination between public projects and private development at Boulder Junction.

### *Leveraging Funds*

The CIP Guiding Principles also call for projects to leverage external funds when possible. Leveraging external funds strengthens the city's return on investment by infusing more cash into projects. The Draft 2015-2020 CIP continues to utilize leveraged funds, with over \$18 million in external funding for projects in the 6-year period. Examples include: almost \$5 million in State and Urban Drainage and Flood Control District (UDFCD) funding over the course of the Wonderland Creek flood mitigation and improvement project, \$2.7 million Federal Hazard Elimination Program funding for safety improvements at Valmont and 29<sup>th</sup> Street, almost \$4.5 million Federal and State funding for runway and taxiway rehabilitation at the airport, and \$1.6 million Colorado Department of Public Health and Environment Natural Disaster Grant funding recently awarded for Area II Annexation water and sewer infrastructure, and wastewater interceptor realignment at 61<sup>st</sup> Street.

Additionally, DRCOG/Transportation Improvement Program (TIP) funding applications will be submitted in 2014 and any successful projects funding will be available in 2015 - 2018. The city will be submitting the highest priority projects identified in the Transportation Master Plan that meet DRCOG criteria, to compete for TIP funding.

### *2013 Flood*

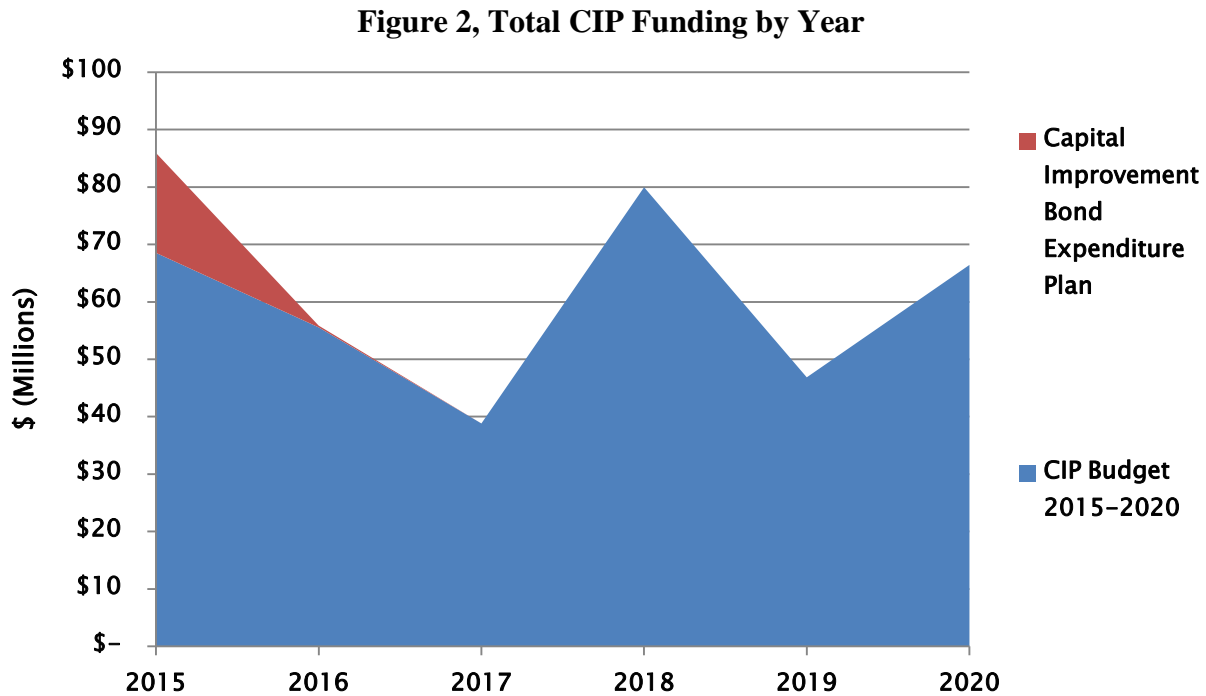
While full recovery from the September 2013 flood is likely to take years, affected critical services have been restored. The information learned from the flood has led to reprioritization of CIP projects. As a direct result of the flood, some previously planned projects have either been deferred or are no longer priorities. In some cases, funding previously identified for regular CIP projects has been used to cover the cost of flood repair and recovery and new or different funding sources will need to be identified to complete high priority projects, within the needed timeframe. This is reflected in new projects, changes in timing of projects, and changes in scope of projects. The flood also reinforces the need to think strategically about the future, specifically focusing on broad objectives that guide near-term recovery and long-term resilience.

The 2015-2020 Draft CIP includes a 2013 Flood Highlight section which provides summary information on the impact of the flood to the CIP. Each department section also includes further information on specific changes in the CIP related to flood recovery, future mitigation and resilience building, if relevant.

The city is utilizing all available resources to cover flood recovery and mitigation, including insurance proceeds, FEMA and State reimbursement of eligible costs, other disaster recovery funding, and hazard mitigation grants from various federal, state and other agencies.

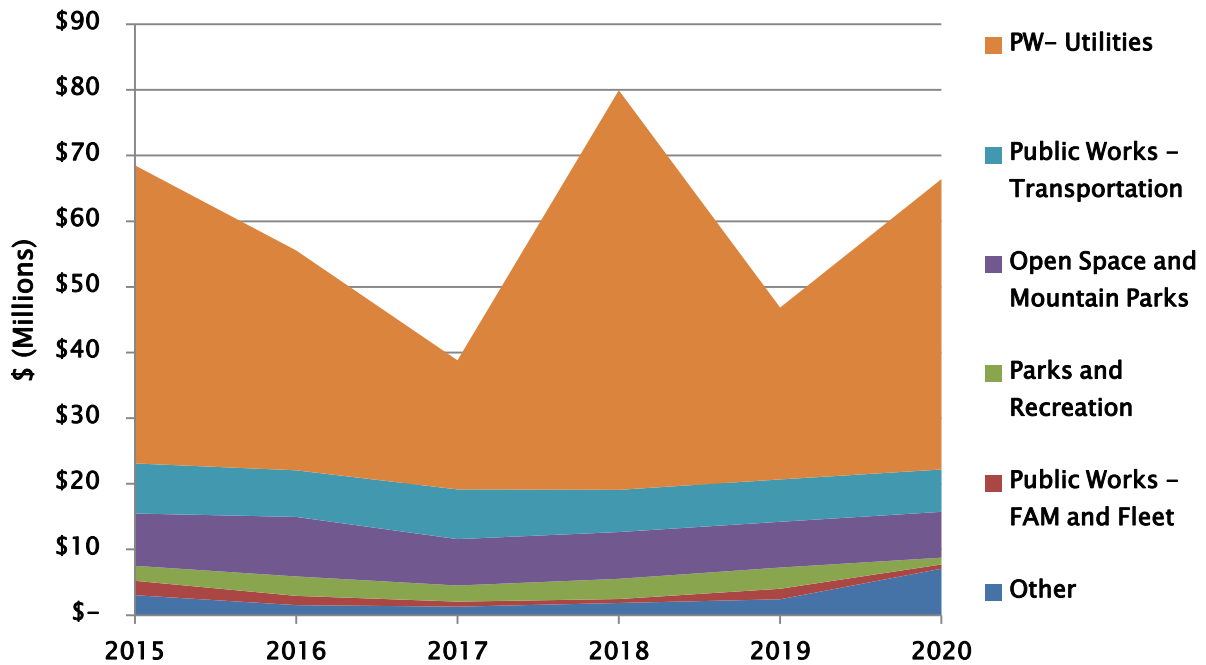
### III. FINANCIAL SUMMARY

The Draft 2015-2020 CIP includes total funding of \$352.7 million for 156 projects. When Capital Improvement Bond funding is included, the six-year total is \$370.4 million. Before Capital Improvement Bond funds are added, 103 projects are recommended for funding in 2015, for a one year total of \$68.7 million. **Figure 2** shows the impact that the voter-approve bond measure has on the proposed CIP budget for 2015-2020.



For 2015 through 2020, 15 departments, divisions or programs have projects funded in the CIP. The amount of money per department varies year to year depending on the type and cost of projects recommended for funding in that year and the amount of external funding received. Many departments have dedicated revenue sources that keep CIP funding relatively constant. For example, both Open Space & Mountain Parks and Parks & Recreation have dedicated revenue sources, and their CIP funding remains relatively level through 2020. **Figure 3** displays the share of total 2015-2020 CIP funding by each department.

**Figure 3, Funding by Department**

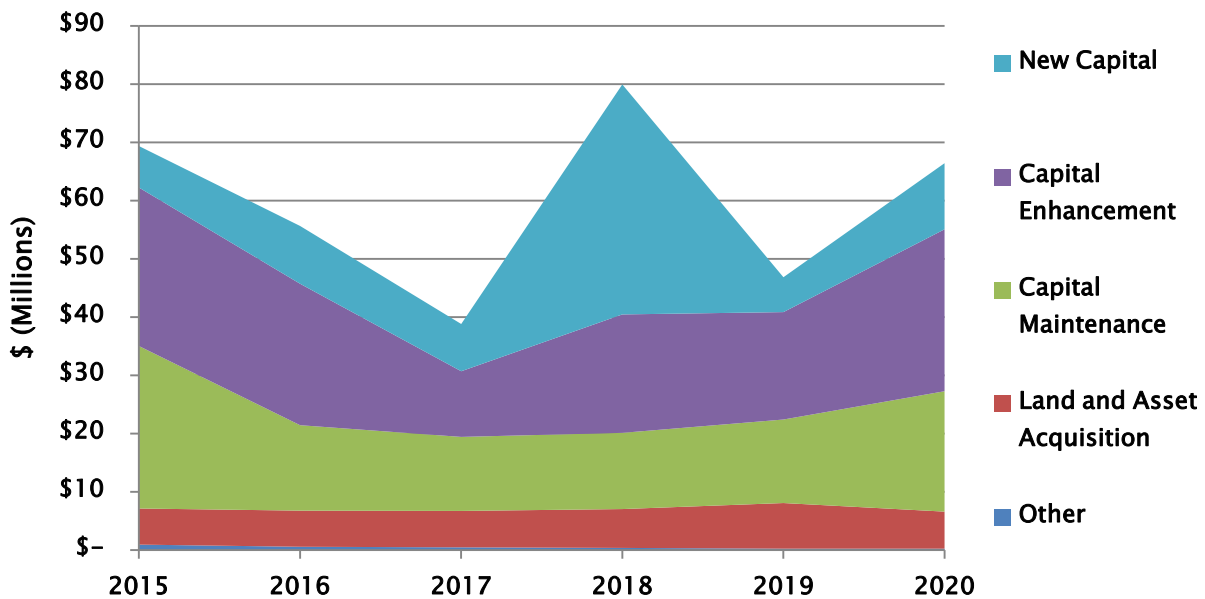


As stated above, a total of 65 percent (\$231 million) of the 6-year CIP is allocated to repair, rehabilitation, or enhancements of existing facilities. Of the remaining CIP, 23 percent of the 6-year CIP is allocated to new construction (\$80.8 million) such as Boulder Junction improvements or the Carter Lake Pipeline. 11 percent of the 6-year CIP is allocated to Land Acquisition (\$39.5 million). The remaining \$1.2 million (less than 1 percent) is for study and analysis projects. A total of \$1.7 million is allocated through the transfer of money from one fund to another or to a program, such as the funding for the Greenways program. **Table 1** and **Figure 4** shows the distribution of CIP funds by project type.

**Table 1, Percent Funding by Project Type**

Project Type	6-year Amount	Percentage
Existing Facilities (Enhancements & Maintenance)	\$231,180,215	65%
New Capital	\$80,826,828	23%
Land & Asset Acquisition	\$39,517,000	11%
Capital Planning Studies	1,170,000	<1%
Transfer	\$1,671,600	1%

**Figure 4, Funding by Project Type**



#### **IV. BOARD AND COMMISSION COMMENT**

Departmental advisory boards have reviewed the draft CIP related to their respective departments, and the recommendations are below. In addition, the Planning Board reviewed the full draft CIP according to their role defined in the Charter and Boulder Revised Code, and its recommendation is also included below.

##### *Greenways Advisory Committee*

The Greenways Advisory Committee met on May 22, 2014 and unanimously (5-0) recommended approval of the 2015-2020 Greenways Program CIP to Planning Board and City Council.

##### *Open Space Board of Trustees*

At its June 11, 2014 meeting, The Open Space Board of Trustees unanimously (5-0) passed a motion approving the 2015 OSMP proposed CIP and recommending approval of the same by the Planning Board and City Council.

##### *Parks and Recreation Advisory Board*

On April 28, 2014, the Parks & Recreation Advisory Board voted unanimously (6-0) to approve the recommended 2015-2020 Capital Improvement Program.

##### *Transportation Advisory Board*

On June 9, 2014, the Transportation Advisory Board voted unanimously (5-0) to recommend approval of the proposed 2015-2020 Transportation Fund, Transportation Development Fund and Boulder Junction Improvement Capital Improvement Programs.

##### *Water Resources Advisory Board*

The preliminary 2015 Utilities budget and 2015-2020 CIP was first presented to the WRAB on April 21, 2014 as a discussion item. WRAB hosted a public hearing and continued their discussion of the preliminary 2015 Utilities budget and 2015-2020 CIP on May 19, 2014. Seven members of the public addressed the WRAB during the public hearing and generally advocated for a more aggressive capital

improvement program focusing on the rehabilitation of the sanitary sewer system and additional flood mitigation.

At the June 16, 2014 meeting WRAB hosted a public hearing during which seven members of the public spoke advocating a more aggressive capital improvement program focusing on the rehabilitation of the sanitary sewer system and additional flood mitigation.

After discussion, WRAB passed the following motion by a 4-0 vote:

The Water Resources Advisory Board recommends approval of the 2015-2020 CIP for the Water, Wastewater, and Stormwater/Flood Management Utilities proposed in Attachment A including proposed rate adjustments to support 2015 revenue increases of 5% in the water utility, 25% in the wastewater utility, and 71% in the stormwater and flood control utility.

### *Planning Board*

The Planning Board reviewed the draft CIP on July 31, 2014, pursuant to Charter Section 78. Planning Board's role in reviewing the CIP is to:

- 1) Evaluate CIP projects in the context of the long-term, "big picture" policies of the Boulder Valley Comprehensive Plan (BVCP);
- 2) Make recommendations on the scope, priorities, and scheduling of CIP projects;
- 3) Make recommendations on resolving policy issues raised by the proposed location and design of CIP projects; and
- 4) Make recommendations on the CIP projects that should undergo a Community and Environmental Assessment Process (CEAP) review.

The draft July 31, 2014 Planning Board action minutes on the Draft 2015-2020 CIP are included in **Attachment C**. On a motion by **J. Putnum**, seconded by **B. Bowen**, the Planning Board voted (7-0) to recommend to City Council the Draft 2015-2020 Capital Improvement Program, including the list of CIP projects to undergo a Community and Environmental Assessment Process, as outlined in the staff memorandum dated July 31, 2014.

Planning Board discussion included:

- Recognition that energy efficiency and resilience is considered across departments in the citywide CIP and in the design and planning for individual projects
- Suggestion that completion of capital projects as well as how they support renewable energy and energy efficiency goals should be communicated to the community
- Support for the intensive work done over the past year to assess the condition of utilities infrastructure as a result of the flood as well as general maintenance needs and the proposed plan for needed investments to be completed in a timely manner
- Suggestion to include in future CIPs, information assessing progress on capital needs particularly related to resilience.
- Support for the full capital plan in the ways these projects will contribute to keeping Boulder a dynamic place.

### **ATTACHMENTS**

**Attachment A:** CIP Guiding Principles excerpted from page 2 of the Draft 2015-2020 CIP

**Attachment B:** CIP Definition and Criteria excerpted from page 14 of the Draft 2015-2020 CIP

**Attachment C:** Draft July 31, 2014 Planning Board action minutes and resolution on the Draft 2015-2020 CIP

**Attachment D:** CIP Tour Planning Board and Council member questions, and staff answers.